February 13, 1986

© Entire contents copyright 1986 by Crain Communications Inc. All rights reserved.

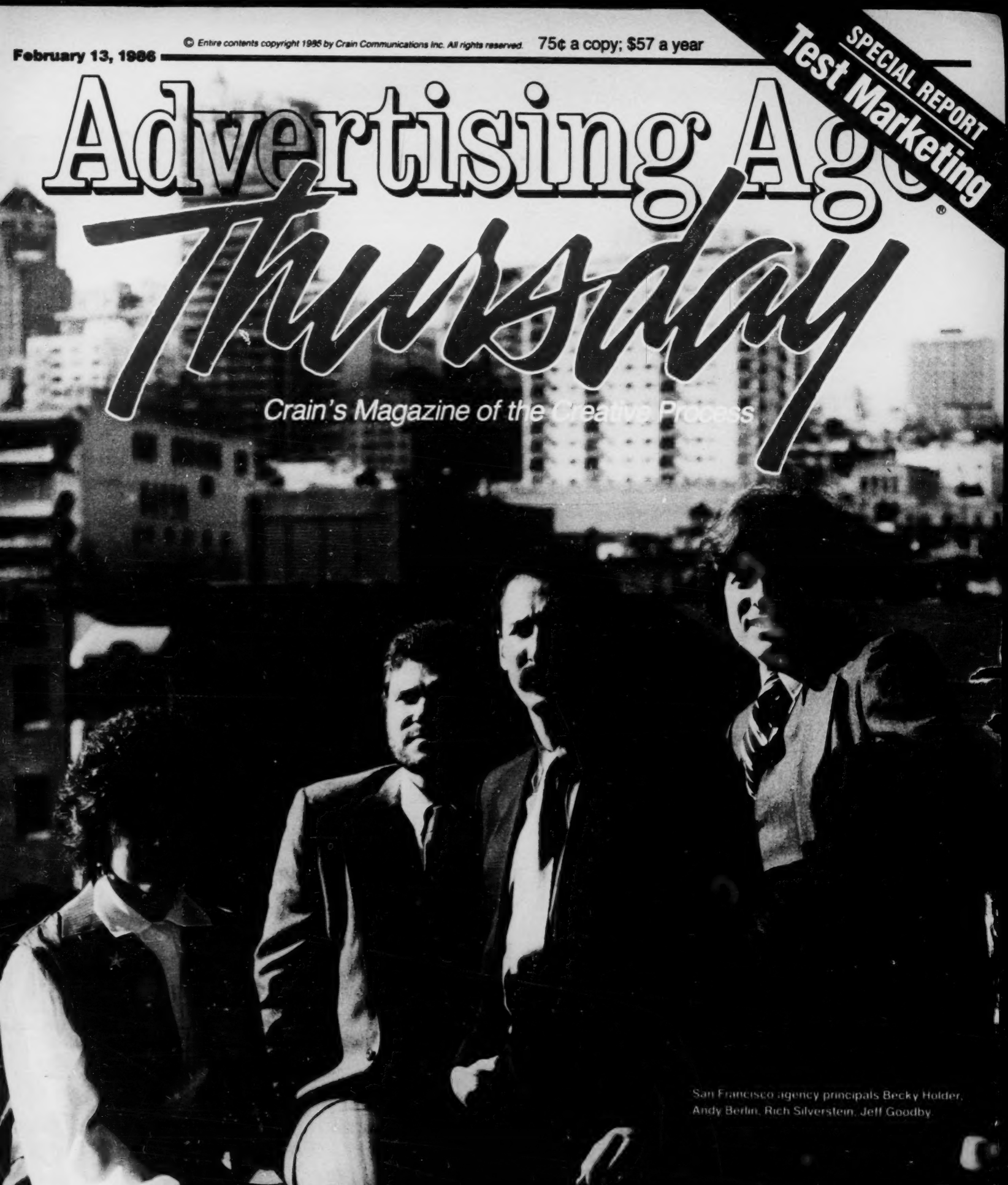
75¢ a copy; $57 a year

SPECIAL REPORT
Test Marketing

Advertising Age

Thursday

Crain's Magazine of the Creative Process



San Francisco agency principals Becky Holder, Andy Berlin, Rich Silverstein, Jeff Goodby

GOODBY, BERLIN & SILVERSTEIN

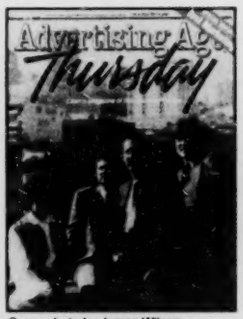
Creating an 'environment for magic'

CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST PKWY BECC
WASHINGTON DC 20014

Thursday

Hello, Goodby

The principals in Goodby, Berlin & Silverstein never met the late, legendary Howard Gossage, but the influence of the maverick San Francisco adman lingers on. For a recent pitch to Honda, GB&S stole a page from the master's book. They spruced up their simple offices in a former seed and plant warehouse with a rented $3,000 hallway carpet and marble tables. They mocked up empty rooms to look like offices and brought in friends to sit at desks and telephone each other. They spent more for flowers than they spend for a secretary's annual salary. What worked for Gossage, however, failed these young disciples. The Japanese didn't buy GB&S, but GB&S did learn a lesson: Be yourself. *See Page 4.*



Cover photo by James Wilson

Wexler cool to ad medium

Haskell Wexler, the celebrated feature film director of photography, spends one-third of his professional life filming 30-second and 60-second spots that fuel American consumerism, yet he holds the advertising industry, and business in general, in contempt. "There is an assumption in the world of advertising that if someone is willing to pay money, it's publicizable." *See Page 10.*

Special Report—Test-Marketing

Test-marketing has entered the world of high-tech, but it still lacks one system that can provide all the information marketers need, quickly and accurately. To try to answer the question "Will the product sell?" marketers are relying on their own research, experience and instincts, calling on test-market specialists for services and data specific to the marketers' businesses, and creating their own databases and markets. Starting on *Page 11.*

Presstime

MCI disconnects Ally

WASHINGTON—MCI Communications Corp. has dismissed longtime agency Ally & Gargano and has awarded its entire $40 million long-distance ad business to D'Arcy Masius Benton & Bowles. A&G this week let go about 20 employes, including several staffers who worked on MCI, but agency chairman Amil Gargano said the layoffs were "not directly related" to the MCI account loss. The MCI action is the latest in a series of blue-chip account losses for the agency. A&G, MCI's lead shop since 1979, has handled its consumer ads; DMB&B previously only handled MCI ads aimed at business customers (AA, Feb. 6).

Scali buys FMR

NEW YORK—Ogilvy Group's Scali, McCabe, Sloves unit has acquired for $6.25 million a "majority interest" in Fallon McElligott Rice, Minneapolis. FMR becomes an independent subsidiary of Scali, which billed an estimated $400 million in 1985. FMR's name won't change; Pat Fallon will remain president and Tom McElligott vp-creative director at the agency, which had '85 billings of $80 million. Ogilvy earlier made its San Francisco office, like FMR a strong creative shop, an independent unit named Hal Riney & Partners.

Warwick gets cooler

BROOKLYN, N.Y.—Joseph Victori Wines has assigned its $10 million Calvin Cooler account to Warwick Advertising, New York, from SBA, an affiliate of Shapiro, Bartolone, Budrow.

Cap Cities denies layoffs

NEW YORK—Capital Cities/ABC denies it is planning to lay off 1,250 to 2,000 employes Feb. 14 in the legal, entertainment and publicity departments as part of a companywide austerity move. "The Valentine's Day Massacre," as insiders are calling the reported move, could affect employes who have been with the company less than 10 years and are therefore ineligible for the ABC pension plan. Spokesmen said there will be gradual attrition of employes in various departments.

Fotomat picks Bohbot

NEW YORK—Fotomat Corp., St. Petersburg, Fla., has named Bohbot & Cohn here as agency of record for its $3.5 million in tv and radio buying, succeeding Botway/Libov. Bohbot & Cohn also has been named broadcast and print agency of record on Pressman Toy Corp.'s $4 million board and videocassette games account. Cohen & Marino, the previous agency, retains creative responsibilities for various Pressman games.

Polaroid unveils 7000

LAS VEGAS—Polaroid Corp., Cambridge, Mass., today will introduce its long-awaited 7000 instant photography system here at the Photo Marketing Assn. International convention. BBDO handles.

BBDO profits up 20%

NEW YORK—BBDO International reports fourth-quarter net income of $9 million, a gain of *(Continued on Page 43)*

Street Talk

If more major sports events are opened to sponsorships, a la a "Budweiser Super Bowl" (AA, Feb. 3 *et seq.*), would the potential marketing benefits be worth the probable cost?

Patrick Iorio, vp-manager of media operations, Geers Gross Advertising: "Full sponsorship provides benefits like high visibility and impact. It's very important for dealer merchandising. The only obstacle to full sponsorship is out-of-pocket. Many advertisers' entire budgets would be spent in one such event. Most advertisers don't want or need full sponsorship because there are so many sports events to pick and choose from today. Besides, do you remember who the major sponsor was in the Super Bowl or the World Series?"

P. IORIO

M. WHITE

Mike White, senior vp-director of media resources, Needham Harper Worldwide, Chicago: "There would have to be a fair amount of research on whether there would be a benefit. Is the 'Budweiser Super Bowl' something that's a positive for viewers or would it irritate or offend people? It might be a problem if the public feels its event has been usurped by a brand. I wouldn't want Mattel to own Christmas."

Thomas Winner, senior vp-director of broadcast media operations, William Esty Co., New York: "Getting a client's name on the event generates some value but you can also use it for internal merchandising, entertaining and setting up some type of dealer sales incentive promotions. There's just a lot of things a client could do as a corporate sponsor. They get the association, which is a plus, and can use it for internal reasons, whatever they may be. If the benefit is more than cost then it's an excellent deal."

T. WINNER

P. McKEON

Patrick McKeon, senior vp-director of media, Bozell, Jacobs, Kenyon & Eckhardt, Chicago: "Yes and no. If you're Budweiser and in a tough marketing battle, such sponsorships are worth it. You also need to be large enough to have the additional money to use elsewhere—for point-of-sale, sweepstakes, dealer incentives and such. But if you're the average advertiser, there's no way for the costs to be paid back in pure exposure."

John Meskil, exec vp-media and administration, Warwick Advertising, New York: "What you ask is do you buy it for merchandising or media benefits? Essentially, we buy it for media benefits. In some instances it's worth it if it's part of your major advertising thrust. In a sense, it's not a media buy but a marketing buy. You can't expect to buy [the event] most efficiently. [But] the main thing you're looking for today is impact so [this would allow the advertiser] to go for less reach but more impact against the target."

J. MESKIL

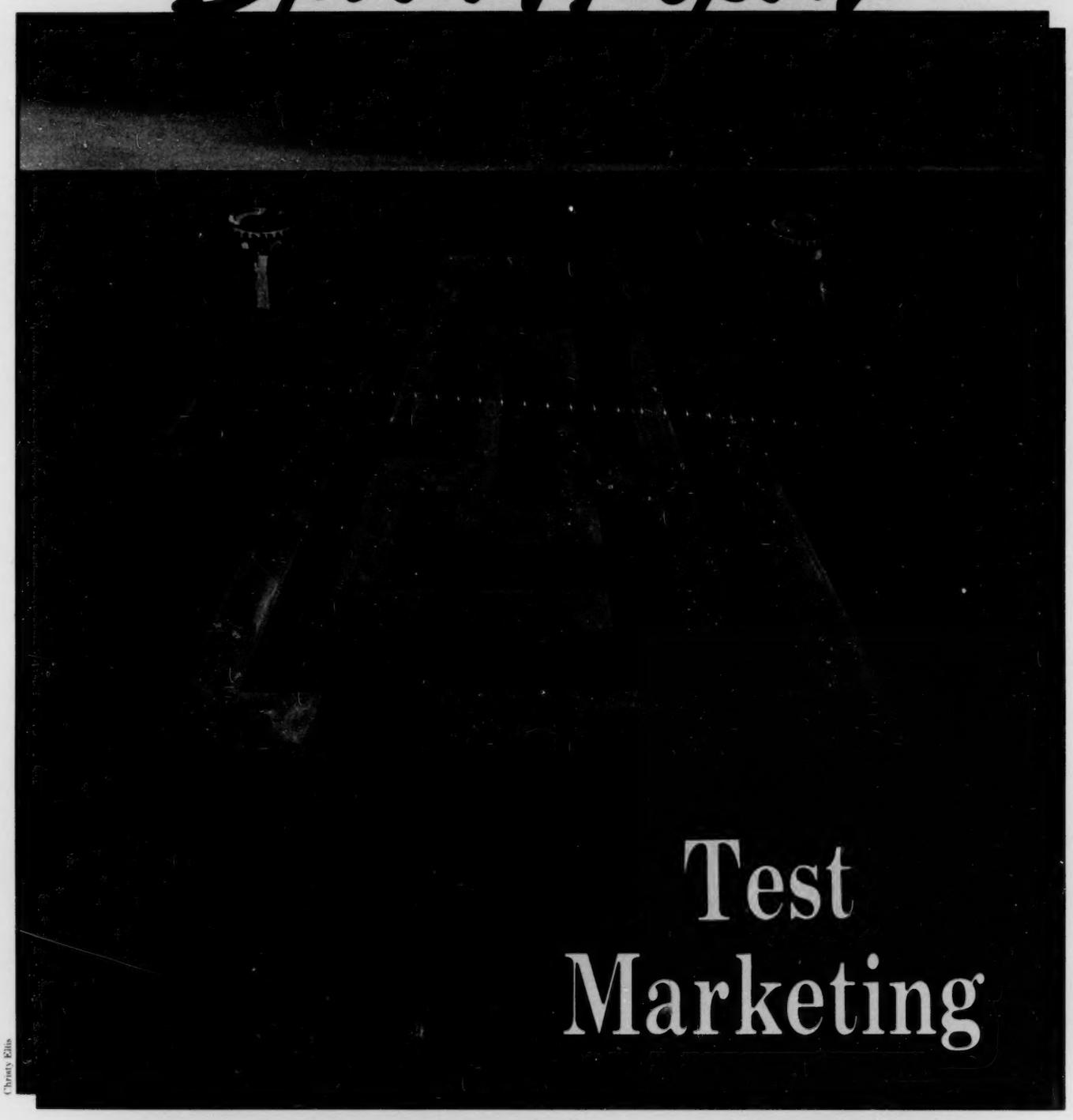
ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

REGULAR FEATURES

ADVERTISING MARKETPLACE 39
BRADY 36
CONTRACT SPORTS 6
GOING PLACES 7
LETTERS 41
PARTING SHOT 38
PEOPLE PATTERNS 38
PRESSTIME 3
MEDIAMOVES 42
WORDS FROM GARTNER 36

Vol. 57, No. 12—ADVERTISING AGE (ISSN 0001-8899) is published twice weekly except once a week the first week in January, the first week in July, the fourth week in November and the fourth week in December at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, MI. 48207. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691. $1.25 a copy on Monday, 75¢ a copy on Thursday, $57 a year, $104 two years. Add $143 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, vp-circulation; JOHN HUFFMAN, fulfillment director; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit MI. 48207 (313) 446-0494.

Special Report



Christy Ellis

Traveling through a maze of choices

By Julie Franz

Every time a consumer goods company decides to market a new product, it enters a maze of options.

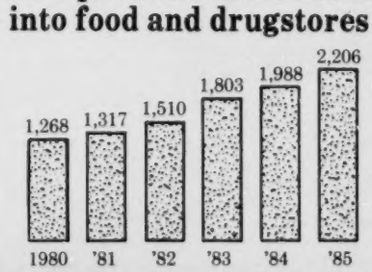
Should the item be test marketed or rolled out immediately? Is in-market, electronic or simulated testing the way to go? Which method will provide the best gauge of success—without sacrificing valuable time?

Despite the arrival of increasingly sophisticated testing methods promising to make those decisions easier, marketers remain frustrated. No one system can provide all the information they need, quickly and accurately, let alone answer the ultimate question: Will the product sell?

Despite all the promises, despite all the available data, not even state-of-the-art market research has been able to completely answer this question.

So although test marketing methods often help spot big winners and losers, many marketers have decided to skip the testing process and rely on their own research, experience and instincts to predict product success. Marketers also are asking test-market specialists for services and data that are more specific to their businesses—and if that proves unavailable, creating databases and markets of their own.

New products introduced into food and drugstores



Source: Dancer Fitzgerald Sample, "New Product News"

The failure rate of new products remains high, says Dick Lukey, associate research director-new product procedures for Leo Burnett USA, Chicago. Five of every ten products tested using simulated test markets are killed, he says. Of the products that make it into national distribution, 70% either are pulled off shelves or never reach their estimated sales potential.

This could be the result of a lack of innovation among new products, he says; most new products today take the form of line or flavor extensions of established brand names. Dancer Fitzgerald Sample's "New Product News" reports that although 2,206 new products were in-

(Continued on Page 31)

Picking panel members to pass judgment

By Julie Liesse Erickson

New products do not just show up on the shelves of your supermarket. Manufacturers need to know what consumers think of their creations. And soon many of you will have a say in which products make it and which don't."

Sounds irresistible—the chance to sound off to consumer product marketers.

"You will get a unique opportunity to . . . make sure manufacturers make those correct decisions and therefore hold down the cost of consumer products that will be entering the market."

Great—a chance to save money, too.

Your town has been selected because of its "all-American characteristics—it's a good barometer of consumer likes and dislikes.

"And it all starts in Boise."

This is part of the tv spot that introduced the citizens of Boise, Ida., to ViewScan, the grocery-scanning test marketing service of Burke Marketing Services. In July, Boise became the system's newest market, as 2,500 households joined 17,500 others in seven other cities as regular ViewScan panelists.

Every year, thousands of households around the U.S. get a chance to speak to product marketers through test marketing services such as ViewScan. In doing so, they act as spokesmen for the millions of Americans who also shop for and purchase groceries.

Burke Marketing Services introduces its ViewScan grocery-scanning test marketing service to the residents of Boise, Ida.

They also are making life-and-death decisions for the new consumer products being tested in their supermarkets and on their cable tv systems.

But who are these consumers?

Although each of the three leading test marketing companies, Burke, Information Resources Inc. and A.C. Nielsen Co., has its own system, recruitment techniques for Burke and IRI are almost identical.

Shoppers are approached in participating grocery stores and drugstores and given a brief description of the scanning service. If interested in becoming panel members, shopppers fill out applications.

The only absolute requirement of panel membership, usually, is being hooked up to the local cable tv system. The test marketing companies say they try for a sample of households with demographics that match those of the nation as a whole.

Panelists receive an ID card resembling a credit card. Their only obligation is to show the card to checkers as they pay for groceries, so their purchases can be identified and entered into the store's computer.

If they shop in a store that does not participate in the scanning system, panelists are asked to record those purchases in a written diary, using Universal Product Code numbers.

ViewScan entered the Boise market with a bang, says Reg Rhodes, president of the Cincinnati-based company. Before in-store recruitment began, Boise residents were exposed to ViewScan and its history through a press conference to announce the city as "the test market of the future," three weeks of cable tv spots and newspaper ads in the Idaho Statesman. "This was the first time in panel recruiting history that such a major pr effort was undertaken," Mr. Rhodes says. The program was coordinated by Burson-Marstellar, Chicago.

As part of the Boise campaign, Burke donated 25 cents to the local Special Olympics for each resident it interviewed. The total reached about $5,000, Mr. Rhodes says.

ViewScan and IRI's BehaviorScan panelists also receive incentives for regular participation, ranging from monthly prizes to computer printouts of their grocery purchases during the month.

A.C. Nielsen Co.'s Testsight service, which became fully operational in two cities July 1, offers similar incentives, but its recruitment procedures are different, says Larry Gold, vp-marketing for the Deerfield, Ill.-based company. "We call other types of recruitment 'convenience-type sampling,'" he says. "Good testing depends on a good probability sample. We think a convenience sample is not sub-

(Continued on Page 16)

Putting average cities on test marketing map

By Julie Skur Hill

Minneapolis and Buffalo, N.Y., are just a couple of average towns.

They are so average that, demographically speaking, they are among the hottest test markets in the U.S.

Minneapolis is probably the most popular test market, says Ira Weinblatt, senior vp at Dancer Fitzgerald Sample, New York, which every other year compiles the best-known list of top test markets. From 1983 to the third quarter of 1985, Minneapolis served as the laboratory for more than 110 product tests, according to DFS figures. The agency tracks market tests through its monthly publication, "New Product News."

But while Mr. Weinblatt dances to a Twin Cities tune, Barry Sinrod shuffles toward Buffalo. Mr. Sinrod is president of the Sinrod Marketing Group, Hicksville, N.Y., which puts out another frequently consulted ranking of test markets.

"Buffalo continues to be a good market," Mr. Sinrod says. "It's one of our favorites. It seems to be the right size," with a population of about 1 million.

Buffalo also is on the DFS list, which now numbers 42 preferred test markets, out of 200 U.S. Areas of Dominant Influence. Sinrod lists 21 cities.

Twelve cities in addition to Buffalo make both lists: Albany, N.Y.; Chattanooga, Tenn.; Des Moines, Ia.; Evansville, Ind.; Grand Rapids, Mich.; Green Bay, Wis.; Indianapolis; Oklahoma City; Omaha, Neb.; Orlando, Fla.; Peoria, Ill., and Rochester, N.Y.

The DFS standout, Minneapolis, didn't make the Sinrod roster. The beauty of a test market often lies in the eye of the beholder. DFS doesn't see its list as a popularity contest. "Our list is not built on what's hot, what's not," Mr. Weinblatt says.

Markets must meet rigid statistical standards on demographics, media isolation and media costs, no matter how popular a test market it is, he says. So it isn't Minneapolis' popularity as a test market that causes it to make the DFS list. Rather, its superb demographics and media characteristics cause it to be popular.

What makes a good test market? "We look for markets that are demographically close to the average, that reflect the real world," Mr. Weinblatt says.

He says DFS prefers markets with isolated, self-contained media environments. The ideal test market offers local media buys that replicate what the national buys would be, and local media coverage that delivers the

(Continued on Page 16)

Julie Skur Hill is an editorial assistant, writing for various Crain Communications Inc. publications.

New-product laboratories

Dancer Fitzgerald Sample's preferred test markets

Area	% U.S. households	TV households
1. Cleveland	1.64	1,395.1
2. Pittsburgh	1.44	1,299.0
3. Minneapolis-St. Paul	1.36	1,155.9
4. Seattle-Tacoma	1.33	1,133.7
5. St. Louis	1.22	1,041.0
6. Portland, Ore.	0.92	784.4
7. Indianapolis	0.92	782.9
8. Cincinnati	0.84	716.4
9. Kansas City, Mo.	0.82	698.6
10. Milwaukee	0.81	686.3
11. Orlando-Daytona Beach, Fla.	0.79	668.5
12. Nashville, Tenn.	0.76	644.5
13. Charlotte, N.C.	0.76	644.1
14. Columbus, O.	0.74	628.7
15. Buffalo, N.Y.	0.72	615.6
16. Oklahoma City	0.71	604.3
17. Grand Rapids-Kalamazoo-Battle Creek, Mich.	0.66	560.9
18. Salt Lake City	0.65	554.1
19. Louisville, Ky.	0.61	515.2
20. Dayton, O.	0.56	479.8
21. Greensboro-Winston-Salem-High Point, N.C.	0.56	478.6
22. Albany-Schenectady-Troy, N.Y.	0.56	477.1
23. Tulsa, Okla.	0.54	459.2
24. Wichita-Hutchinson, Kan.	0.50	421.8
25. Toledo, O.	0.48	409.3
26. Des Moines, Ia.	0.43	368.8
27. Syracuse, N.Y.	0.43	364.6
28. Green Bay, Wis.	0.42	353.1
29. Roanoke-Lynchburg, Va.	0.41	348.3
30. Springfield-Decatur-Champaign, Ill.	0.41	348.1
31. Rochester, N.Y.	0.41	346.0
32. Omaha, Neb.	0.41	345.5
33. Spokane, Wash.	0.38	326.7
34. Cedar Rapids-Waterloo, Ia.	0.37	316.6
35. Chattanooga, Tenn.	0.34	293.0
36. South Bend-Elkhart, Ind.	0.32	273.7
37. Evansville, Ind.	0.31	261.2
38. Fort Wayne, Ind.	0.27	229.2
39. Peoria, Ill.	0.25	216.7
40. Greenville-Spartanburg-Asheville, N.C.	0.25	216.1
41. Fargo, N.D.	0.25	211.4
42. Erie, Pa.	0.18	150.8

Tv households in thousands Source: Dancer Fitzgerald Sample

Picking panel members

(Continued from Page 12)
ject to statistical analysis."

When Nielsen entered its two Testsight markets—Sioux Falls, S.D., and Springfield, Mo.—in 1985, it used a random sample from the local telephone books to select panelists. If residents responded positively to the first phone call, they received a questionnaire through the mail.

After receiving a questionnaire from a household, Nielsen field representatives would make an appointment for a personal interview to sign up a household as a panel member. The company sought out 4,000 households in each market—about 12% of the Sioux Falls population and about 8% of Springfield—with an eventual 2,500-member size in mind.

But despite all this initial attention, panelists largely are unaware of their power, say the test marketing companies that use them.

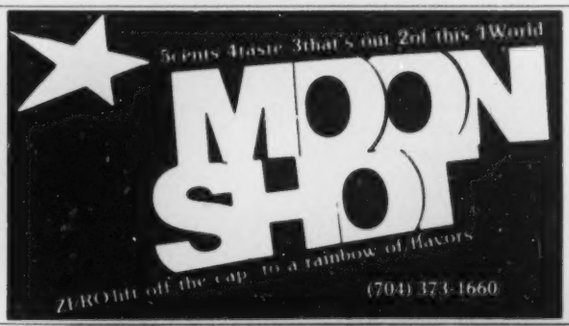
"For the most part, I think it just becomes a habit, a routine," says Jane Michaels, senior manager for Shoppers' Hotline, Chicago-based IRI's panel, which uses about 6,000 households in each of the company's eight test markets. "They're buying what they want, not what they think they should buy."

"What we think happens is that it takes a certain period of time for the panel to settle down, that the novelty of carrying a card, being part of the panel causes some extra attention to shopping habits," Mr. Rhodes says. "After the panel settles down, it falls into a normal routine of showing your card to the cashier. Our research shows the panelist's behavior is not materially affected by his participation on the panel."

But this is not necessarily the case with consumers who use paper diaries to record shopping habits, he says. "Now, with a paper diary, industry execs worried about panelists being much more attuned to prices, more price-sensitive and prone to look for specials than the normal consumer," he says.

Mr. Gold agrees. "When we used paper diaries, consumers became very aware of and sensitive to pricing and product differences. These [Testsight] households are relatively passive," he says, "and that's the way we want them to be."

ViewScan added 2,500 households in Boise, Ida.



Putting cities on map

(Continued from Page 12)
majority of households in the area. It's critical that the market in question have its own media and be free from tv spillover from other ADIs. The penetration of cable tv must be close to the U.S. average.

Finally, Mr. Weinblatt says, "We look for reasonably priced media markets. Markets that are suitable otherwise may be avoided if the media is overpriced."

Sinrod similarly uses demographics to develop its list, but it also considers the number of client requests for a given city and distributor cooperation in proposed markets, Mr. Sinrod says.

The DFS list has a high concentration of markets in the Midwest, while the Sinrod cities are fairly evenly spread across the U.S. Says Mr. Weinblatt of DFS: "It is hard to find [West] Coast markets. A lot are close together, involving large populations. We don't like to commit to markets that large. Demographics are more average in Middle America."

Mr. Sinrod disagrees. "There is no reason to have only the Midwest. There are good markets around the country." He says economic, product and weather considerations all "make it necessary to have markets scattered."

The Sinrod ranking includes two Vermont markets, Burlington and Bennington, that aren't on the DFS list. "Burlington is an up-and-coming market," Mr. Sinrod says.

Markets fall in and out of favor. Two Ohio markets, Toledo and Dayton, made it to the DFS list for the first time last year, while seven markets appearing on the previous list in 1983 didn't make the grade for 1985. Three were dropped for media efficiency problems: Boise, Ida.; Colorado Springs, Colo., and Phoenix, Ariz. Demographic imbalances eliminated four others: Knoxville, Tenn.; Lexington, Ky.; Little Rock, Ark., and Sacramento, Cal.

Peoria, long considered America's favorite guinea pig, was cut from the 1983 DFS list. The town's high cable tv penetration and high unemployment, a result of a strike and hard times at Caterpillar Tractor Co., made Peoria less than typical, Mr. Weinblatt says.

But because Caterpillar's problems have lessened somewhat, and the rest of America has caught up with Peoria's cable concentration, the downstate Illinois city has the distinction of being "average" again—and back among the preferred test markets of both DFS and Sinrod.

The Burgoyne Mini-Market Test

New product/merchandising alternative testing format

A Mini-Market test provides results based on testing in a real world environment. It avoids the incurring of huge test product production expenses, inventory costs & weighty promotion expenses.

Burgoyne Mini-Markets provide flexibility in:

Market Selection — Select a market(s) that will project most realistically to your brand & category demographics.
Retail Trade Class — Our more than 40 years of dealing with the trade enables us to conduct the test in grocery, drug, mass merchandiser, hardware, home improvement and hardware stores.

STRADA™ (Store TRading Area Demographic Analysis)

Ask your Burgoyne Account Executive about the new demographic analysis method that enhances test market interpretation.

Integrated Test Market (ITM)

For a complete analysis of the new product/merchandising alternative potential, combine the Mini-Market test with diagnostic data from ConsumerViews.℠

Burgoyne®

CINCINNATI
309 Vine Street, 45202
(513) 621-7000

WHITE PLAINS
One North Broadway, 10601
(914) 949-3214

SAN FRANCISCO
870 Market Street, 94102
(415) 392-0130

Choices

(Continued from Page 11)
troduced in 1985, an additional 2,670 line extensions—of flavor, color or other characteristics—appeared on grocery store shelves.

Whatever the reason, the failure rate stirs debate among marketers and their ad agencies about the best way to ensure success with a new product.

The frequent loser in that debate is conventional in-market testing, which has battled unsuccessfully against electronic and simulated testing programs. Mr. Lukey says Burnett's client usage of simulated test markets has increased from an average of three a year during the 1970s to an average of 30 annually today.

In a classical test market, a company such as Quaker Oats Co., Chicago, gives a new product to sales staff in four or five markets, where it is sold into grocery stores. Advertising is placed, purchase information is tracked, and the probability of success on a larger scale is projected.

But classical test marketing such as this adds three months or more to the test market process—time that marketers, wor-

Information Resources Inc. estimates it costs $3.1 million to take a product from r&d through the test market process.

ried about the competition's response, don't want to spend.

"People aren't prepared to wait that long anymore, given the pace of new product activity in the market," says John Blair, Quaker vp-marketing research.

In addition, the cost of classical test marketing is substantially greater than that of electronic testing, he says. Electronic testing usually involves only two or three markets, constituting about 1% of the total U.S. population, while an in-market test is done in five or more markets that add up to about 3% to 5% of the nation. Media and sales force utilization costs multiply accordingly.

Information Resources Inc., a leading market researcher, estimates it costs $3.1 million, on the average, to take a product from r&d through the conventional test market process. But Hercules Segalas, an analyst with Drexel Burnham Lambert, New York, says Procter & Gamble spent $15 million developing Duncan Hines ready-to-eat cookies in test market.

In a simulated test market, in contrast, consumers view new product concept boards and ad-

(Continued on Page 32)

Paying for retail shelf space

By Laurie Freeman

Once a new product makes it over the test marketing hurdles, it faces another stumbling block. Rising entry fees, called slotting allowances, add to the cost of placing new products in grocery stores.

Slotting allowances flourish. There are no set rules; each store has its own policy, ranging from discounts on cases of goods to outright dollar payments. Many chains do not demand a slotting allowance, but most marketers now offer one.

"We have a minimum slotting allowance of $500 for each new item accepted," says a Green Bay, Wis.-based buyer. "The larger companies, like Procter & Gamble, refuse to pay it, but they make up for it in other ways. Others, like Church & Dwight, pay us to take their items."

Policies range from discounts on cases of goods to dollar payments.

In other cities, slotting allowances range from $200 to $300, the larger payments being demanded for slow-moving items such as condiments. "The stuff we don't need or want, we make the company pay to get it on the shelves," a Kansas City, Mo.-based buyer says.

But in many ways, slotting allowances present a Catch-22 situation. "We don't want to ever be in the position of having refused an item, then have customers come in with their coupons looking for it. That's the best way to lose customers to the store down the street," a midwestern buyer says.

For a marketer, not even big slotting allowances guarantee product placement. "We've turned down items with allowances because we don't think they'll sell," the Kansas City buyer says.

The (ME) test

- What mini-test market matches mainstream America demographics plus or minus 5%?
- What test market has the unique location that offers confidentiality and isolation to keep your new product hidden longer from competition?
- What market meets all the ADI media-mix requirements, minimal spillage, and low GRP costs (average 30 second TV spot reaches 19% @ $16.50 per point; the newspaper buy reaches 34% @ $16.54 a point)?
- What market offers tight monitoring and control with 80% reach of the All Commodity Volume through 14 supermarkets?
- What market has the most up-to-date auditing capabilities of Nielsen, Burgoyne, SAMI?
- What market is served by a dominant newspaper with over 86,000 daily circulation and 129,000 Sunday, 96% within the ADI?
- Check the (ME) market...The Portland Mainestream. Call Gary Gagne (Portland, ME) 207-775-5811; Jim McNeil (Landon-Portland) 207-871-0463; Frank Chicko (Landon-Boston) 617-266-2141.

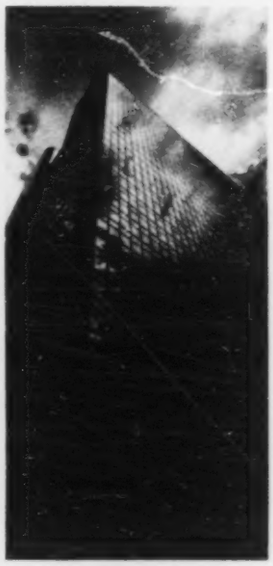
Test marketers select the (ME) Market... the Portland Mainestream and the Portland (ME) Press Herald and Evening Express.

Nationally Marketed by
LANDON ASSOCIATES, INC.

INFLUENCE:

Toledo's newspaper has had a strong community influence for 150 years.

The Blade is more than a newspaper. It is a community institution . . . investing itself in the economic, cultural and political life . . . working to set priorities . . . sparking ideas . . . using its influence to help great things happen.



There is a rebirth today in downtown Toledo. One major project is SeaGate, a riverfront development dominated by the new 32-story world headquarters of Owens-Illinois, pictured at left.

Another is the exciting Portside Festival Marketplace. It features 76 shops and restaurants with food, merchandise and entertainment, all in a festival atmosphere.

Great things are happening in Toledo, with hardly a block left untouched in a massive revitalization of the riverfront and downtown.

The Blade's strong influence makes it a good catalyst for community achievement. It's an influence we share with advertisers in our 14-county market. Sunday coverage, 82%; daily coverage 67%.

THE BLADE
One Of America's Great Newspapers

541 Superior St., Toledo, OH 43660

Traveling through maze

(Continued from Page 31)

vertising mockups, receive a sales incentive (such as a coupon) and shop in a mock-up grocery or drug store. The consumers who actually buy the "product" are called at home and surveyed once they've had a chance to use it. The product's sales potential is modeled from that.

Using simulated test markets allows marketers to narrow the variables before entering actual test markets. In addition, the process also can stop marketers from putting disasters into in-market test and can eliminate the need for a test market by uncovering overnight successes.

But in using speeded-up testing systems, the package goods industry has to guard against reducing the time of a test market to dangerously low levels, says Jim Crimmins, director-marketing decision systems for Needham Harper Worldwide, Chicago.

Some products, such as condiments, have long purchase cycles; therefore, they require more time in test market. Other products, including soap, have a short purchase cycle. Likewise, if seasonal products aren't left in test long enough or at the right time, the data could be skewed.

Companies trying to shorten in-market tests, which can range from just months to years, also sometimes find the product doesn't fare as well as expected once national distribution is achieved. Cincinnati-based Procter & Gamble, for example, tested its encapsulated aspirin, Encaprin, for only three months before rolling it nationally in June, 1984. Although analysts say Encaprin did very well in its short-lived test, the brand is struggling to find a national niche. Supported in its first year by an estimated $35 million to $50 million campaign from Dancer Fitzgerald Sample, New York, Encaprin has managed less than a 1% share of the $1.2 billion U.S. pain reliever market.

Using simulated test markets allows marketers to narrow the variables before entering actual test markets.

Consumer products marketers also are becoming disillusioned with electronic, scanner-based technologies for providing data that looks scientific but often isn't, Needham's Mr. Crimmins says. To illustrate, he points to scanner tests that typically employ a database of 2,500 consumers, usually cut in half to test two variables. Each of those 1,250-consumer groups then are classified by demographics into subgroups.

In the worst case, the final test data might use a sample of only eight people to project behavior for all white males between the ages of 25 and 30, Mr. Crimmins says.

"This isn't a criticism of the

(Continued on Page 35)

Test Knoxville

True	False	
✔	☐	In 1985, Knoxville was ranked as a top test market by Sales & Marketing Management, Audits & Surveys and Market Audits.
✔	☐	Knoxville has a very good transportation network, including an excellent system of connecting interstate highways.
✔	☐	Knoxville is a relatively isolated, geographically independent city.
✔	☐	Knoxville has a representative population with a large sales volume. Knoxville's median household EBI approximates state and national averages, yet the area's total EBI ranks 86th nationally.
✔	☐	Knoxville's unique population is reflected in a well-diversified business and industry base.
✔	☐	Knoxville's newspapers are an easy buy. They require only one order and one bill.

KNOXVILLE NEWS SENTINEL COMPANY

PUBLISHERS OF The Knoxville News-Sentinel
A SCRIPPS HOWARD NEWSPAPER

AGENTS FOR THE KNOXVILLE JOURNAL
A Gannett Newspaper

Need scan data? ...Testmark has it.

Custom Reporting From...

- Over 2,500 Stores
- Over 65 Markets
- Over 40 Retail Chains

More than 15 Reporting Options for Controlled Store Tests, Test Markets or Product Tracking Studies.

testmark
DIV. OF SUPER VALU STORES, INC.
P.O. BOX 170 • MINNEAPOLIS, MN 55440 (612) 932-4575

Traveling through maze

(Continued from Page 32)
testing techniques but of the design of the test," Mr. Crimmins says. Once the sample size has been whittled down, test marketing becomes "a random test with little good solid reason why option A is better than option B."

> ***"The cost of a failed national introduction is monumental compared with a failed in-market test."***
> **Dick Lukey**
> **Leo Burnett USA**

Some marketers remain fans of conventional in-market tests. "There's no real substitute for getting out and doing" an on-site test. The others are mainly formula driven, says Ira Weinblatt, senior vp-director of media planning, Dancer Fitzgerald Sample, New York.

The traditional sell-in test market still serves to minimize the risk of a bomb. Companies tend to eliminate conventional test marketing for me-too or line extensions, but for a truly new product, a test minimizes the risk of failure, Mr. Weinblatt says.

Still, leading consumer product companies increasingly are bypassing classic testing methods. In 1985, P&G placed Folgers instant decaffeinated coffee crystals into market without in-market testing, as did Pillsbury with Milk Break bars —the company's first snack-bar food. Likewise, Quaker rolled Chewy granola bars and its chocolate-covered Granola Dipps nationally with no conventional market testing.

"Some believe it's best to throw products in the pool and see if they swim. I think it's better to stick a toe in first to see if the product is ready for the pool," Mr. Weinblatt says.

Simulated test marketing won't replace in-market testing completely, Mr. Lukey says. "The cost of a failed national introduction is monumental compared with a failed in-market test," he says.

Test marketing creates a "funnel of expense," says Tina Seber, associate director of Pillsbury's new product technical resources unit, Minneapolis. "It's important to solve problems with a product earlier when expenses are lower," she says. "It's more expensive to generate alternatives [in packaging, media, pricing and other factors] further down in the testing process, when the money being spent has more leverage, and testing those alternatives reduces the risk of failure."

Researchers and marketers will continue searching for ways of further reducing that risk. According to Mr. Lukey, several Burnett clients are collecting data to build their own historical databases and simulated test market systems that will be specific to their product categories.

Product marketers may begin to use test marketing as a way to evaluate rejuvenating existing brands vs. testing new products, as companies begin looking at ways to stimulate sales of maturing brands, he says.

Advertisers say the research industry also still needs to develop systems to test alternative versions of marketing plans in controlled environments and viable, reasonably priced ways to test products in larger metropolitan markets, Pillsbury's Ms. Seber says.

Industry experts anticipate that within the next five years, marketers will be able to satisfy all their test marketing needs in a single place. Joint ventures such as the one between Time Inc.'s Selling Areas-Marketing Inc., Arbitron Ratings Co. and Burke Marketing Services (AA, Jan. 20) not only will foster competition among research companies but also will allow one-stop shopping for services, Quaker's Mr. Blair says.

Burke's joint venture with SAMI and Arbitron will provide both sizable databases and sophisticated predicting services, says John Brown, chairman and chief executive officer of Cincinnati-based Burke. His company will provide demographics; Arbitron will contribute media rating services, and SAMI, sales information from both food and drug stores.

The combination of the three companies also will help reduce the cost of research by allowing more test variables to be run simultaneously, says Reg Rhodes, president of Burke's test marketing group.

Mr. Rhodes agrees that product marketers have been intrigued by the recent flurry of technology. But he believes the focus will shift away from razzle-dazzle and back toward improved information handling for better decision making. "The technology has been in the limelight lately, but we will have to begin looking at how to effectively model the data so behavior is projectable," he says.

Chicago reporter Laurie Freeman also contributed to this story.

Associate editor Julie Liesse Erickson coordinated this report on Test Marketing.

Coming

Next week Advertising Age's Special Report will focus on **Toiletries & Beauty Aids.**

THIS TOP 20 MARKET IS THE BEST BUY FROM TOP TO BOTTOM DOLLAR.

If you'd like to buy a top 20 market without paying for one, take a good look at Milwaukee.

Milwaukee's population places it 29th in the nation. But rank the MSAs according to adult newspaper readership, and Milwaukee rises to number 17.

That's because 76% of all Milwaukeeans read The Milwaukee Journal or Milwaukee Sentinel every day. No other newspaper combination delivers like that.

Call Wally Just, National Advertising Manager, at (414) 224-2472. And buy a top 20 market without spending your bottom dollar.

The Milwaukee Journal
Milwaukee Sentinel

Source: 1985 Simmons – Scarborough Study

LOUISVILLE • KENTUCKY

CENTERSTAGE•USA

offers pre-test consultations, advice on how to get the exact sales data you'll need and help in avoiding transshipments.

MAJOR MEDIA SUPPORT

Louisville's media rates spell ***AFFORDABLE****. And our unique support program means lower cut-in charges, no penalties for delayed startup and help in securing category and brand promotional spending data.*

For full information, call John Andersen at **502-589-1232** *or fill in the coupon below.*

If test marketing is being considered within your company, learn more about
LOUISVILLE, KENTUCKY CENTERSTAGE, U.S.A.

Louisville is uniquely centralized in location, and the city's demographic makeup is almost a mirror-image of the rest of the U.S. Add to this a new program tailored to facilitate test marketing:

FREE IN-MARKET HELP
Our test coordinator is here to help you get things done around town. You'll have one person to call for help in checking stores, arranging for trade meetings, distributing samples and taking advantage of special media support programs.

TRADE ADVISORY PANEL
Our panel of brokers, buyers and store managers

Please send me your comprehensive book, Louisville is Right. By the Numbers.

Name_____
Company _____
Title_____
Address _____
City_____ State____ ZIP_____
(or attach business card)

LOUISVILLE. THE TEST MARKET.
833 W. Main St., Louisville, KY 40202

MediaWorks

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

Public Interest Affiliates has picked up the syndication rights to Major League Baseball Productions' "This Week in Baseball," a 15-minute recap of the previous week's action in baseball with Mel Allen. The feature was dropped by CBS Radio Network during the offseason. "This Week" will premiere April 11; since PIA signed the deal two weeks ago, more than 40 stations have been signed. Avails are wide open. A new feature, "Baseball Radio Newsatellite," will hit the airwaves on April 7, the day the baseball season officially opens. This feed offers player interviews and features about baseball twice daily to news and sports programers. The morning service offers access to material that can be dropped into local sports reports. The afternoon feed, called "Baseball Today," is a 15-minute feature package that can stand alone. Avails are also wide open. So far, a dozen stations reportedly have signed on.

PETE TOWNSHEND

Pete Townshend, the Who guitarist who's now doing nicely on his own, is the subject of NBC Radio Entertainment's "Legends of Rock" for the weekend of March 14 to 16. Participating advertisers include Anheuser-Busch for Budweiser, other avails open. Closing date is March 3.

David Sanborn's "The Jazz Show" on NBC Radio Entertainment Network has several openings for its March 2 show. Participating advertisers signed so far include Miles Laboratories' Alka-Seltzer Plus, and Levi's 501 Jeans. Closing is Feb. 17.

Paul Shaffer's "Live From the Hard Rock Cafe" has several avails for its March 2 run, with closing Feb. 17. Participating advertisers include Van Munching & Co. for Heineken. ■

TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"The Real Ghostbusters" now is headed for barter-syndication via Columbia Pictures Television, Burbank, in September, 1987, a year later than planned before NATPE—where the distributor cleared the stripped, 65-episode cartoon series for the after-school daypart on 70 stations (for more than 70% coverage of U.S. tv households). Reason: Columbia, which plans to sell two national minutes on each daily, half-hour episode (leaving four for stations), sold ABC-TV on airing 13 episodes of "Ghostbusters" as a Saturday morning cartoon, as of September.

Access Syndication, Studio City, Cal., has no ad avails through the second quarter for three current weekly bartered series: "Lorne Greene's New Wilderness," now on 152 stations for 74% coverage of U.S. tv homes; "The Exciting World of Speed & Beauty," now on 31 stations (49%), and "Hollywood Close-Up," now on 41 stations (58%).

"Your Choice for the Film Awards," a two-hour special with a March 8 to 23 prime time telecast "window" as a preview of the Academy Awards (airing live on ABC-TV, March 24), is selling 10 national ad minutes via LBS Communications, New York. The show, to be produced March 1 by KHJ-TV, Los Angeles, will have more than 100 carrier stations cleared by March, for at least 74% coverage of U.S. tv homes. ■

NEWSSTAND

A listing of print advertising opportunities, such as special issues and special advertising sections.

Outside, Chicago, special feature, "The 25 best summer trips in America," May issue; ad close: Feb. 19. B&w page: $8,180; color page: $11,890.

Good Housekeeping, New York, summer beauty guide special advertising section, June issue; ad close: Feb. 28 (regional), March 14 (national). B&w page: $63,775; color page: $80,025.

Business Week, New York, bank scoreboard issue, April 7; ad close: March 3 (color), March 10 (b&w). B&w page: $32,142; color page: $48,854.

Los Angeles, Los Angeles, silver anniversary issue, April; ad close: March 5. B&w page: $4,935; color page: $7,350.

Forbes, New York, telemarketing technology and Kentucky special advertising sections, May 5 issue; ad close: March 10. B&w page: $27,810; color page: $42,290.

USA Today, Rosslyn, Va., "Golf 1986" special bonus section, March 31 issue; ad close: March 14. B&w page: $33,314; color page: $41,642.

FE: The magazine for financial executives, Morristown, N.J., technology's impact on business, May issue; ad close: April 4. B&w page: $2,520; color page: $4,000.

Southern Living, Birmingham, Ala., "summer suppers" special food section, July issue; ad close: April 25. B&w page: $30,560; color page: $43,100.

Us, New York, special "summer fun" issue, June 2; ad close: May 6. B&w page: $14,780; color page: $19,080.

Closing next week: Business Week, New York, fourth-quarter corporate profits issue, March 17, Feb. 17 (b&w)...**USA Today**, Rosslyn, Va., NCAA basketball playoff special bonus section, March 10 issue, Feb. 21. ■

Outside magazine plans a special on best summer trips; *Forbes'* specials key on telemarketing and Kentucky.

MediaWorks also appears in the Monday edition of Advertising Age.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	2/7	1/30	1/23
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		31	29	25
2. "Family Ties" (NBC)		26	25	21
3. "60 Minutes" (CBS)		14	—20	24
4. "Highway to Heaven" (NBC)		12	11	DNA
5. "Golden Girls" (NBC)		11	19	21
6. "Cosby Show Special" (NBC)		11	DNA	DNA
7. "Cheers" (NBC)		10	9	4
GOOD WINNERS				
8. "Facts of Life" (NBC)		9	DNA	7
9. "Dallas" (CBS)		9	14	14
10. "Kate & Allie" (CBS)		9	—5	4
11. "Webster" (ABC)		9	1	—5
12. "Newhart" (CBS)		8	—3	4
13. "227" (NBC)		7	16	17
14. "Night Court" (NBC)		7	6	1
15. "Sins: Part 3" (CBS)		6	DNA	DNA
16. "Sins: Part 2" (CBS)		6	DNA	DNA
17. "Knots Landing" (CBS)		6	4	6
18. "Mr. Belvedere" (ABC)		6	—1	—9
BORDERLINE WINNERS				
19. "Gimme a Break" (NBC)		5	DNA	2
20. "Miami Vice" (NBC)		5	9	5
21. "Hotel" (ABC)		3	4	10
22. "Dynasty" (ABC)		3	11	14
23. "CBS Saturday Night at the Movies: Kung Fu"		1	DNA	—21
24. "Sins: Part 1" (CBS)		1	DNA	DNA

BEHIND THE SHARES

'60 Minutes' lead slips

"60 Minutes" has yet to recover from the fatal matchup with **"Super Bowl XX"** in which the show lost by more than 20 share points. The show is down several points from its unsual overwhelming dominance at 7 p.m. (ET).

An extremely tight ratings race ushered in the February sweeps on Feb. 2. Audiences were torn between James Bond (ABC's **"Octopussy"**), a Machiavellian Joan Collins (CBS' **"Sins"**) and a Czarist Maximillian Schell (NBC's **"Peter the Great"**). **"Sins"** finally conquered its competition, albeit by slim margins.

"Peter" lost its final two nights by six share points to **"Sins."** En route to victory, the CBS miniseries also swamped ABC's thus far stable **"Moonlighting."**

"Peter" also took valuable shares out of ABC's hide: When **"Sins"** went off, some of the audience went over to NBC to see what all the fuss was about. The NBC miniseries picked up an extra share point its last evening while nearly sending **"Dynasty"** to its first loss of the season.

ABC had other reasons to cheer. Both **"Webster"** and **"Mr. Belvedere"** scored convincing victories against **"Misfits of Science"** and **"Airwolf."** For the first time in weeks, neither CBS nor NBC threw one-time-only specials against the comedy duo. NBC also had good numbers for its premiere of **"Disney Sunday Movie."** The movie got a 23 share, which bettered NBC's early evening performance on Feb. 2. ■

Index to Advertisers

American Consulting Corporation, Orlando ... 20
Arkansas Gazette ... 28
Binghampton Press & Sun-Bulletin, The ... 26
The Blade ... 32
Booth Newspapers ... 30/21
Burgoyne ... 16
Burke Marketing Services, Inc. ... 17,30
Capital Newspapers ... 21
Chicago Tribune ... 15
Crain's New York Business ... 34
The Evansville Newspapers ... 18
Susan Gilbert Advertising ... 33
Golden Years ... 30
ICC/International Cube Corporation ... 6
K-BEST/KRLA ... 2
Knoxville News Sentinel Company ... 32
Louisville Courier ... 35
M/A/R/C ... 44
MPO Videotronics ... 24
Market Facts, Inc. ... 25
The Milwaukee Journal/Sentinel ... 35
Moonshot ... 16
NPD Group, The ... 27
New York Communications Center ... 8
A.C. Nielsen Company ... 19
Northwestern Bell Telephone Company ... 24
Orlando Sentinel ... 7
Portland Press Herald/Evening Express ... 31
Progressive Grocer Information Sales ... 30
Quick-Test ... 24
Raleigh Durham Newspapers ... 28
SAMI Scanner Services ... 22/23
Smith's Fifth Avenue Agency, Inc. ... 25
Springfield Newspapers, The ... 26
Sunrise Video West ... 18
Syracuse Newspapers, The ... 26
The T-Shirtery, Inc. ... 6
Testmark ... 32
Times Publishing Company ... 33
Westgate Research, Inc. ... 29